

Senate File 379 - Introduced

SENATE FILE _____
BY ZIEMAN

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the exemption from the individual income tax
2 of active duty pay for certain military service, and including
3 effective and retroactive applicability date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2329SS 82
6 mg/je/5

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1 1 Section 1. Section 422.7, Code 2007, is amended by adding
1 2 the following new subsection:
1 3 NEW SUBSECTION. 50. Subtract, to the extent included,
1 4 active duty pay received by the taxpayer after September 10,
1 5 2001, as a member on federal active duty of the armed forces
1 6 or as a member in the armed forces military reserve or
1 7 national guard serving on federal active duty other than for
1 8 training.

1 9 Sec. 2. Section 422.73, Code 2007, is amended by adding
1 10 the following new subsection:

1 11 NEW SUBSECTION. 4. Notwithstanding subsection 1, a claim
1 12 for credit or refund of the income tax paid for a tax year
1 13 beginning on or after January 1, 2001, but before January 1,
1 14 2004, is considered timely if the claim is filed with the
1 15 department on or before April 30, 2008, if the taxpayer's
1 16 state net income is reduced as a result of the noninclusion in
1 17 net income of active duty pay received as provided in section
1 18 422.7, subsection 50.

1 19 Sec. 3. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

1 20 This Act, being deemed of immediate importance, takes effect
1 21 upon enactment and applies retroactively to January 1, 2001,
1 22 for tax years beginning on or after that date.

1 23 EXPLANATION

1 24 This bill exempts from income tax active duty pay received
1 25 after September 10, 2001, by members of the armed forces,
1 26 armed forces military reserve, and national guard who serve on
1 27 federal active duty other than for training.

1 28 The bill provides an extension for the filing of a claim
1 29 for refund or credit as a result of the exclusion in the bill
1 30 of active duty pay.

1 31 The bill takes effect upon enactment and applies
1 32 retroactively to January 1, 2001, for tax years beginning on
1 33 or after that date.

1 34 LSB 2329SS 82

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